



**US Army Corps  
of Engineers®**

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**MILITARY CONSTRUCTION  
MEDICAL MILCON PROGRAM**

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**Program Management Plan  
(PgMP)**

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**May 2003**

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## **1. GENERAL**

**1.1. PURPOSE.** The TriCare Management Activity (TMA) and HQ U.S. Army Corps of Engineers (HQUSACE) jointly developed this Program Management Plan (PgMP) to implement and support the successful delivery of Medical Military Construction (MILCON) facilities. The PgMP provides guidance for subordinate levels below TMA and HQUSACE in executing the Medical MILCON Program.

## **1.2. REFERENCES.**

- a. DODI 4270.5, Military Construction Responsibilities, 2 March 1982
- b. ER 5-1-11, USACE Business Process
- c. MIL HNBK 1191, Medical Treatment Facility. . . ., 8 July 2002.

**1.3. SCOPE.** This PgMP applies to all TMA Medical MILCON projects assigned to USACE by DODI 4270.5 (reference 1.2.b). This PgMP may be supplemented by TMA specific PgMPs. This PgMP will be supplemented by a Project Management Plan (PMP) for each MILCON project.

## **1.4. DESIGN AND CONSTRUCTION AGENT RESPONSIBILITY.**

a. The design and construction agent for projects assigned to USACE by DODI 4270.5 will normally be the geographic military district responsible for the region where the Military Installation is located. A project may be brokered from the geographic district to another district in accordance with USACE policy (reference \_\_\_\_\_).

**1.5. CONFLICT RESOLUTION:** Disagreements will be resolved at the lowest possible management level. Any impasse will be elevated to the next command level for decision without unnecessary delay. TMA and HQUSACE will resolve policy issues that impede the project execution. The Military Services and Division will work together to resolve any issues elevated to them from the Installation or District. Issues that cannot be resolved at this level or that require revised policy, will be promptly elevated to HQUSACE for resolution.

**1.6. CHANGES TO PGMP.** The PgMP may be revised at any time on mutual consent of the signatories.

## **2. ROLES AND RESPONSIBILITIES**

**2.1. GENERAL.** The terms Design Agent (DA), Construction Agent (CA), USACE Program Manager (PgM) and Project Manager (PM) refer to the USACE.

**2.2. Assistant Secretary of Defense for Health Affairs (OASD-HA).**

a. OASD-HA is responsible for the Military Construction (MILCON) Program. The TriCare Management Activity, Defense Medical Facilities Office (TMA-DMFO) approves the Concept Design development, reviews the completed design documents for compliance with the approved Concept Design, and authorizes the project for construction and disburses funds to the DOD designated design and construction agent, U.S. Army Corps of Engineers (HQUSACE CEMP-MD). TMA-DMFO is the formal interface with Congress regarding this project. TMA-DMFO will review and approve the project design. TMA will provide design and construction funds to CEMP-MD.

### **2.3. ARMY CORPS OF ENGINEERS (USACE)**

a. HEADQUARTERS (HQUSACE). HQUSACE is responsible for command and control of the USACE Divisions. HQUSACE, Defense Agencies and Support for Others Branch (CEMP-MD) is responsible for program management of the Medical MILCON Program assigned to USACE, including USACE policy, guidance and direction for program management and execution. CEMP-MD is the primary point-of-contact with TMA for program management and execution issues including periodic program reviews.

b. DIVISIONS (MAJOR SUBORDINATE COMMANDS (MSC). Divisions are responsible for command and control of the USACE District Offices within their geographical Area of Responsibility (AOR). The Division provides program oversight including project schedule, scope, cost, and quality assurance of the services provided by their subordinate District offices. Divisions are the primary point-of-contact with the Military Service representatives for services within their AOR.

c. DISTRICTS. Districts are responsible for USACE project management, design, and construction services including coordination of these activities with the Military Service Representatives. The USACE District PM is the DA/CA representative and point-of-contact during design and construction.

d. MANDATORY MEDICAL FACILITIES CENTER OF EXPERTISE (CEHNC-MX). The MX is the USACE-wide Technical Center of Expertise (TCX) for medically unique aspects of medical facilities; expertise includes medical technical issues, criteria/guidance, support to MSC/Districts, and medical-related specifications and standards. The MX shall also provide oversight and direction to the MSC/Districts on concept and final design management, design acquisition strategy, medical criteria, contracting procedures, and construction issues.

## **3. PROGRAM AND PROJECT MANAGEMENT**

**3.1. GENERAL.** The TMA and USACE will collaborate at every organizational level (TMA, HQUSACE, Military Services, Division, Installation/Base, MX, and District) to ensure successful program execution. Each level will maintain a continuing dialog with their counterpart as well as up and down their management chain to achieve successful projects

through a partnered effort by the entire team. The team will continually strive to improve policy and guidance for executing the program and to eliminate obstacles to successful execution.

**3.2. PROGRAM MANAGEMENT.** USACE Program and Project management will be in accordance with ER 5-1-11.

**3.3. PROGRAM REVIEWS, CONFERENCES AND WORKSHOPS.**

a. HQ Level Quarterly Review: HQUSACE will provide quarterly execution reports, and briefings to TMA. Execution reports will address the TMA program goals and metrics, identify projects that potentially may miss a performance goal, and address issues referred by the Military Services and Divisions.

b. Senior Executive Review Groups (SERGs): The Military Services in conjunction with the executing Division and District may schedule a SERG for major facility construction programs. At the SERG, the Military Service, Division Commander and the District Commander, will review progress of the program.

c. Line Item Reviews (LIRs): The Military Services may request MILCON progress reviews. At these reviews, the District PM will present the progress of each project. Project specific and program wide issues will be addressed at the review. The Division will participate in the LIR.

d. Conferences and Workshops. The Headquarters or Divisions may hold Military Service conferences, to continually improve program execution. The respective Military Services, Divisions, and Districts are encouraged to participate in these conferences and workshops.

**3.4. PROJECT DELIVERY TEAM (PDT).** Members of the PDT are responsible for project execution. As a minimum, the PDT will consist of, but not be limited to, the following: using agency (Military Service Representative), Installation/Base Engineering personnel, environmental management function, major commands, Mandatory Medical Facilities Center of Expertise (CEHNC-MX), and DA/CA. The members assigned will have decision-making authority.

**3.5. PROJECT MANAGEMENT PLAN (PMP).** The design agent will develop, in concert with the Military Service representatives, a project management plan for every project. The PMP will be prepared, reviewed and approved prior to initiating design. The PMP will cover all phases of the project including design, construction, and closeout and will address: scope of the project, team members roles and responsibilities, design and construction budget, funds management, schedule, quality control plan, acquisition strategy, risk analysis, change management plan, conflict resolution plan, communications strategy, commissioning, and closeout plan. The PMP is a "living document" that provides a framework for executing the project and establishes specific strategies and milestones for project. All changes to PMP will be

documented in the PMP and fully coordinated between the Military Service representatives and DA/CA prior to implementation.

**3.6. PROJECT PARTNERING.** Partnering during design and/or construction is intended to create an environment of team building between interested parties. The decision to implement partnering will be identified in the PMP. Projects involving many different users, or which have high dollar value, short mission need date, or a high level of command interest are all good candidates for partnering. Partnering, whether formally or informally, can contribute to successful project execution. Partnering sessions, when formally implemented, will be conducted by an expert facilitator, as requested by the Military Services, where mutual goals and objectives for project execution will be identified. Partnering costs during design will be funded by P&D. The construction agent's cost of hosting the partnering conference during construction will be funded with S&A funds.

**3.7 SCOPE VARIATION.** The PMP will identify the project scope. The TMA is responsible for scope interpretation and resolution of scope variations from the approved DD1391. The DA/CA will not make changes to the project scope without TMA approval. The TMA approval will be based on the PM/MX concept design presentations and scope documentation/project requirements.

**3.8 COST MANAGEMENT.** The PMP will identify the project construction budget or Design Directed Amount (DDA). The DA/CA will promptly notify CEMP-MD if the validated CWE exceeds the cost target at any phase and recommend cost reduction alternatives.

**3.9 CHANGE MANAGEMENT.** Each PMP will include a project specific change management plan. The plan will include the organization and names of person who can approve changes. Guidelines for the plans are:

- a. Scope Changes: Require TMA approval (outside scope of DD Form 1391)
- b. Changes During Design: Require TMA approval (outside scope of DD Form 1391)
- c. Changes During Construction: Corporate Group Roles & Responsibilities

A corporate group consisting of members of CEMP-MD and the Military Services will provide program and project oversight during design and construction. The corporate group, or their designated representatives, will provide program coordination; resolve conflicts; and approve, direct, or request changes where necessary to execute the project on schedule and within scope and cost limitations.

The Corporate Group will meet or conduct conference calls as needed to evaluate proposed changes. The PM and Military Service representatives will be responsible for presenting the proposed changes. The PM will make recommendations to the Corporate Group based upon their review for technical, schedule, cost, scope and contract impact. The Corporate Group will decide on a course of action based upon the presentations. The Corporate Group will conference by telephone to facilitate time critical issues/actions.

Discretionary/non-mandatory changes in excess of \$5,000 and less than \$100,000 will be submitted to the Corporate Group for approval. During Corporate Group meetings the Division Program Manager may represent CEMP-MD for approval of discretionary/non-mandatory change requests estimated between \$5,000 and \$20,000. (District approval limitation is \$0 - \$5,000, Division approval limitation is \$5,000 to \$20,000, CEMP-MD & Military Service representative approval \$20,000 - \$100,000) All change requests in excess of \$100,000 must be coordinated by CEMP-MD and forwarded to TMA for approval.

### **3.10. AUTOMATED MANAGEMENT INFORMATION SYSTEMS.**

a. HQUSACE and TMA will work to develop automated exchange of data between automated project management information systems and to permit access to data management systems.

b. Corps of Engineers Financial Management System (CEFMS). CEFMS will be used for tracking and reporting funds management. The PM will maintain accurate data in CEFMS.

c. Project Management Information System (PROMIS). PROMIS is the current USACE project management system. The USACE PM will promptly enter and continuously maintain project data in PROMIS.

d. Construction Resident Management System (RMS): RMS is a USACE automated quality management and construction contract administration system. The system provides tools to plan, and manage construction by integrating job specific requirements, corporate technical knowledge, construction schedule and actual placement, documentation of construction quality assurance functions, and management policies. The CA will promptly enter and continuously maintain data in RMS. RMS feeds construction contract data to PROMIS.

e. Programs and Projects Delivery System (PPDS). PPDS is a USACE internet-based information source that provides current and detailed data for all projects. PPDS extracts project data from PROMIS and RMS. The PM is responsible for maintaining project data in PPDS. The Internet address for the PPDS system is <http://ppds.usace.army.mil/ppds/home/>

## **4. DESIGN AND CONSTRUCTION.**

### **4.1. DESIGN AUTHORIZATION.**

a. Design Authorization (DA). TMA will provide design authority to CEMP-MD. The DA authorizes the DA/CA to proceed (subject to 2807 notification requirements) to the specific design level, identified for each project. Timely release of design authority is critical to execution of the project design in time for early construction award. TMA will provide initial DA to the Design Agent, in advance of concept design authority, to allow earlier initiation of the PMP and PDT.



b. 2807 Notification. TMA will notify the appropriate committees of Congress when required and advise HQUSACE when notification is complete.

c. Design Directive. After receipt of the DA, CEMP-MD will issue a Design Directive to the Division/District. The Design Directive authorizes the initiation of the design of the project and includes specific information including, but not be limited to, the following: Programmed Amount (PA), Construction Cost Limitation (CCL), Scope, DD Form 1391, and Level of Design Authorized. Design funds will be provided with the Design Directive to fund authorized level of design.

**4.2. ACQUISITION STRATEGY.** Design and construction acquisition strategies are joint PDT decisions and will be established early in the design process. Changes to the strategy will be fully coordinated with the PDT prior to implementation.

**4.3. SCHEDULE.** Project schedules will be developed to achieve TMA execution goals. The scheduled beneficial occupancy date (BOD) is a commitment to the Military Service. The Military Service and DA will develop a mutually agreed upon schedule for project execution through project closeout. Schedule changes will be coordinated between the DA and Military Service prior to implementation and any delays will be documented and provided to the Military Service. The DA will promptly enter the schedule in PROMIS. The DA/CA will make every reasonable effort to ensure construction is complete by the scheduled BOD.

**4.4. BUDGET:**

a. Design Budget. The PM will submit a budget for the project design effort to CEMP-MD for approval after receipt of the initial Design Directive. Upon reaching a mutually agreed upon design budget, CEMP-MD will provide design funds to the District. The design budget will be reviewed and revised as necessary if the functional or design criteria are changed during the design process. Potential design cost overruns will be identified as early as possible to allow time to take action to mitigate impacts. Any excess design funds remaining after construction award will be returned to CEMP-MD within 30 days of the construction Notice to Proceed (NTP).

b. Construction Cost Limitation (CCL). The design phase CCL for the Base Bid Item will be 95% of the project program amount (PA). The PM will develop a funding strategy early in design, including identification of potential options or additive bid items, to ensure an awardable project. This strategy will be documented in the Project Management Plan (PMP).

c. Current Working Estimate (CWE). The PM will develop and continuously maintain a construction CWE. The CWE will identify: the contract amount for the base bid item and each option and additive, funds reserved for procurement outside the construction contract, S&A, Design During Construction (DDC), and contingency funds.

**4.5. DESIGN SERVICES:** The decision to design a project in-house with USACE forces or to contract design services with an Architectural-Engineering (A-E) firm is a PDT decision. Changes to the strategy will be fully coordinated with the PDT prior to implementation.

a. Architect-Engineer (A-E) Selection: When the project will be designed by an A-E firm, the Military Service representative will be given the opportunity to participate in the A-E selection process as a voting member.

b. A-E Contract Management. The DA will be the Contracting Office responsible for all contract administration and contracting authority over the designer.

c. A-E Performance Evaluation. The DA/CA is responsible for preparation of the A-E performance evaluation for work performed under A-E contracts. The evaluation shall include input from the Military Service.

d. Design Management. The DA will ensure that the design is in conformance with the approved PMP, DD1391, Program for Design, and Concept of Operations.

#### **4.6. DESIGN CRITERIA AND FUNCTIONAL REQUIREMENTS.**

a. The Military Service will provide specific Installation design criteria and project functional requirements to the DA. The Military Service will ensure proper involvement of the medical program users, at the Installation during all phases of design. The Military Service will provide all related mission requirements including special technical criteria, and all design inputs pertaining to the facility's integration into the Installation Design Guide.

b. Project Book/Requirements Document : The Military Service will provide a Concept of Operations document that identifies and validates all project requirements. The document provides a description of project requirements, site conditions, environmental requirements, and special cost considerations in sufficient detail for the designer to understand the project requirements, and to negotiate the design fees necessary to accomplish the design.

c. Architectural Compatibility. The Installation has final approval authority on the Installation comprehensive planning and exterior architectural compatibility standards and issues.

#### **4.7. DESIGN REVIEW:**

a. The DA is responsible for the technical adequacy of the design and will review all designs to ensure they are technically adequate, biddable, constructible, operable, and comply with environmental requirements. Lessons learned from previous projects will also be incorporated.

b. The Military Service has prime responsibility for review relating to medical functional, operability, maintainability, and mission requirements for the project. The Military Service

Surgeon's representative is the focal point for all medical functional review comments and is responsible for forwarding them to the DA/CA.

c. Construction Contractor Submittals. During design, the PM will provide the construction submittal register for Military Service for review. The Military Service will identify all construction contractor submittals requiring their review.

#### **4.8. CONSTRUCTION CONTRACT ADVERTISING AND AWARD.**

a. TMA will issue advertising authority and/or bid opening authority to the HQUSACE and position construction funds at HQUSACE.

b. The DA is responsible for advertising, receiving and evaluating the bids, and providing a bid opening report, including an award CWE, to the Division. The Division will review the report and award CWE and endorse it to CEMP-MD for their review and approval. The TMA will be provided a copy of the bid opening CWE and provide authority to award to CEMP-MD. In the event the low bid is in excess of available funds, CEMP-MD in coordination with the Military Service will recommend the appropriate course of action to TMA. The design agent will then award the contract as authorized by TMA.

#### **4.9. CONSTRUCTION MANAGEMENT.**

a. The CA is responsible for day-to-day management of construction effort including contract administration.

b. Construction Partnering. The CA may host formal project specific partnering conferences with all major players including: the District staff, Installation, Military Service, design A-E, and construction contractor. The construction agent's cost of hosting the partnering conference will be funded with S&A funds.

c. Completion and facility turnover:

1. Inspections: Prior to final acceptance of the facility, pre-final inspections will be conducted on an area-by-area basis or on a functional basis. The purpose of these inspections is to insure turnover of a complete, functional, and maintainable facility constructed fully in accordance with the contract specifications and drawings as identified in the contract drawings. Inspection teams may include representatives from the Area Engineer/Resident Engineer (AE/RE) office, PM, Military Service, the Installation\Base, the local Medical Group representatives, and others as appropriate. Major construction deficiencies identified during these inspections will be corrected by the contractor before a final inspection is scheduled. Deficiencies which prevent the Air Force from providing safe and appropriate health care are considered major.

2. A final inspection with the above listed participants will be conducted when the AE/RE determines that the major deficiencies have been corrected. Upon acceptance, the Installation\Base will assume responsibility for the operation and maintenance of the facility.

3. Documentation and Training: The AE/RE is responsible for insuring that the following documentation is available at the facility turnover:

- (a) construction waste characterization and disposal data
- (b) medical gas certification
- (c) HVAC balancing reports
- (d) Fire protection system test reports
- (e) grounding system test reports
- (f) operating and maintenance manuals
- (g) preliminary as-built drawings
- (h) installed equipment listing
- (i) spare parts
- (j) preliminary DD Form 1354
- (k) warranty procedures and contact points
- (l) All items will be hand receipted to the BCE.

4. The AE/RE is responsible for coordinating required contractor provided training with the Installation. At least 10 working days notice will be given of all required training. The Installation is responsible for insuring that the correct individuals attend the training sessions. Concurrent notification will be given to the local Medical Group.

5. Completed as-built drawings, one blue line copy and the entire electronic drawing file set on CD ROM will be provided within 120 days of turnover.

6. DD Form 1354, Transfer and Acceptance of Real Property, will be provided at Installation\Base acceptance of the facility.

**4.10. PROJECT CLOSEOUT.** Goal is to financially complete the construction contract within 12 months of BOD in CONUS and 15 months OCONUS. The CA will not hold contingency funds for payment of claims in excess of the estimated amount for settlement of claims determined to have merit.

**4.11. DESIGN DEFICIENCIES.** The CA will review all construction changes for potential A-E responsibility. If the CA's initial review determines the A-E is potentially responsible, then the DA will evaluate the change for recovery action. The DA will invite the Military Service representatives to participate in resolution of all A-E liability issues.

**4.12. CONTRACTOR CLAIMS.** The CA is responsible for management of all claims in a timely and cost effective manner. The CA will provide the Military Service an opportunity to comment on pending claims and will consider information that the Military Service provides before making a contracting officer decision.

## **5. FINANCIAL MANAGEMENT**

**5.1. GENERAL:** The CEMP-MD is responsible for timely positioning of design and construction funds to initiate new, or to continue ongoing design and to award construction contracts.

### **5.2. DESIGN FUNDING:**

a. MILCON Planning and Design (P&D) funds will be provided for design services for traditional design projects and preparation of Requests for Proposals (RFPs) for design-build projects.

b. Design funds will be provided to the districts by CEMP-MD via Funds Authorization Document (FAD).

c. Unobligated P&D Funds. Within 30 days after construction contract award, the DA will identify unobligated design funds to CEMP-MD for return and reallocation.

### **5.3. CONSTRUCTION FUNDING:**

a. Current Working Estimate (CWE): Each funds request will include a CWE. The CWE includes contract award amount, optional bid items, 2% contingency, the applicable flat Supervision and Administration (S&A) rate, and other miscellaneous items. The miscellaneous items may include: as-built drawings, HQUSACE Management Reserve funds, Design During Construction funds, Installation/Base-performed work items, and CAT E&F equipment costs.

b. Funds Requests. The CEMP-MD will review the funds requests and, if it meets their approval, provide funds to the district. Funds will be distributed to the districts via FAD.

c. Timing of Funds Requests. The CA must schedule funding requests to ensure funds are in place for timely award of construction contract actions. Project schedules should recognize CEMP-MD funding documentation requirements.

d. Pre-Positioning Funds For Construction Contract Awards. Normally, construction funds for contract award are not provided to the district until an award CWE is determined based on bid opening or completed negotiations. However, with TMA approval, construction funds may be pre-positioned with the DA/CA prior to bid opening or final negotiation to expedite contract award. When construction funds are pre-positioned, excess funds will be returned immediately after award as directed by the CEMP-MD.

**5.4. FINANCIAL CLOSEOUT OF CONSTRUCTION CONTRACTS:** USACE is committed to financially close all construction contracts within 12 months after the Beneficial Occupancy Date (BOD) in CONUS and 15 months OCONUS.

## **5.5. CLAIM SETTLEMENT AND REIMBURSEMENT TO THE JUDGMENT FUND**

a. If available, funds up to the estimated amount of meritorious claims may be held by the DA/CA. The CA will not hold contingency funds for payment of claims in excess of the estimated amount for settlement of claims determined to have merit.

b. The CA will forward funds requests to settle claims and reimburse the Judgment Fund to CEMP-MD, with information copy to the Military Service and Division. The CEMP-MD Program Manager will review the request and coordinate with TMA, if it meets their approval, find a funds source and provide funding to the district. Each funds request will include an analysis of the CWE that includes the current CWE and the proposed CWE. If the request is for reimbursing the Judgment Fund, a copy of the Treasury letter and invoice must also be provided with the analysis of the CWE. The CA will not pay the claim or reimburse the Judgment Fund until associated S&A funds are provided.

**5.6. FUNDS REVOCATIONS.** The DA/CA will promptly identify and return funds in excess of actual needs. Funds revocations are initiated by the DA/CA and are sent to CEMP-MD. USACE will return of excess design or construction funds to CEMP-MD in a timely manner.

**5.7. TRANSFER OF CONSTRUCTION FUNDS.** MILCON funds to be used by the Installation\Base must be provided to the district for distribution. CEMP-MD will not MIPR construction funds directly to the Installation\Base.

## **6. PERFORMANCE MEASUREMENT**

**6.1. GENERAL.** The overall goal for MILCON execution is to provide quality facilities that meet user requirements, on time, and within budget. The following goals and metrics will be used to measure success for the MILCON program.

**6.2. DESIGN AUTHORIZATION, INITIAL.** The TMA will provide design authorization to CEMP-MD for the initial preparation of the PMP and establishment of the PDT, prior to the Concept Design authorization.

**6.3. DESIGN AUTHORIZATION, FINAL DESIGN.** The TMA will provide design authorization to CEMP-MD for the final design phase by Oct 1, one year prior to the execution year (1 Oct 2002 for projects in the FY04 program). This will allow one year for the DA to complete design and be ready to advertise.

**6.4. USE OLD P&D FUNDS.** Obligate prior year P&D funds against contracts or in-house labor (not just MIPRs), by the end of the third quarter, as follows:

FY – 3 and prior years (FY00 and prior for FY03)	100% obligated,
FY – 2 (FY01 for FY03)	98% obligated,
FY – 1 (FY02 for FY03)	80% obligated.

**6.5. DESIGN COMPLETION.** Complete design of all President's Budget projects and be ready to advertise for construction by 30 September prior to the execution year.

**6.6. DESIGN COST.** Manage the cost of design to maximum of 13% of the program amount.

**6.7. CONSTRUCTION CONTRACT AWARD, PRESIDENT'S BUDGET PROJECTS.** Award all President's Budget projects in the first three quarters of the appropriation FY.

**6.8. CONSTRUCTION CONTRACT AWARD, CONGRESSIONAL INSERT PROJECTS.** Award all Congressional Insert Projects in the appropriation FY.

**6.9. CONSTRUCTION DURATION.** Construction duration (NTP to BOD) at time of award should not exceed the following:

PA less than \$5M, construction duration is 365 days

PA Between \$5M and \$20M, construction duration is 540 days

PA \$20M and greater, construction duration is 730 days

**6.10. CONTRACT AWARD COST (CWE/PA RATIO).** Award the program with a CWE/PA ratio equal to .95, maximum. The sum of the award CWE (or Design CWE for unawarded projects) divided by the sum of the PA for all projects available for award in FY should be less than or equal to .95.

**6.11. CONSTRUCTION SCHEDULE GROWTH.** Manage schedule growth to 25% or less. Schedule Growth is the performance days (i.e., NTP to BOD) relative to the original estimated performance days specified in the contract. Schedule growth has a direct impact on cost growth. Minimizing schedule growth promotes quicker closeout of projects and availability of funds for use elsewhere if needed.

**6.12. CONSTRUCTION COST GROWTH.** Manage construction cost growth to 5% or less of the original contract amount. Cost Growth is the ratio of current contract cost to original contract cost. For projects with multiple contracts or awarded options, contract values and option values will be summed as the original contract amount.

**6.13. Financial Closeout.** Financially close projects in CONUS within 12 months of BOD, and OCONUS projects within 15 months.